



CABLE & WIRELESS, INC.

EX PARTE OR LATE FILED

ORIGINAL

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July 9, 1999

Ms. Magalie Roman Salas
Secretary
Federal Communications Commission
445 12th St., SW
TW-A325
Washington, D.C. 20554

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JUL 9 1999

**FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY**

**RE: Ex Parte Presentation
Section 1.1206(b)(1) and (b)(2) Disclosure
Implementation of the Subscriber Carrier Selection Changes Provision of
the Telecommunications Act of 1996, Policies and Rules Concerning
Unauthorized Changes of Consumers' Long Distance Carriers, Second
Report and Order and Further Notice of Proposed Rulemaking, CC Docket
No. 94-129.**

Secretary Salas:

On July 9, 1999, Paul Kenefick, Brent Olson, and Allen Clark of Cable & Wireless USA, Inc. ("C&W USA") made a written and oral ex parte presentation to Kimberly Parker and Anita Cheng of the Common Carrier Bureau concerning several issues pending in the above entitled docket. Attached is a written presentation that was presented to the attendees as well as a printed out version of an Internet demonstration.¹ Specifically, the participants discussed the issue of whether consumers should be allowed to subscribe to telecommunications service through the Internet. C&W USA advocates a rule that permits carriers to employ this medium and to have flexibility in determining whether the subscriber's authorization can be authenticated.

If you have any questions or comments concerning this disclosure or the presentation in general, please do not hesitate to contact me at 703-905-5785.

Sincerely,

Paul W. Kenefick
Regulatory Counsel

Attachment

cc: Kim Parker
Anita Cheng

¹ This demonstration can be accessed at <http://www.cwusa.com/fcc>, username = FCC01, password=passw0rd12.

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Internet LOAs Frequently Asked Questions

Isn't it difficult to verify the identity of the subscriber over the Internet?

- Just as difficult to verify a signed paper contract or a taped voice recording. These are used when a dispute arises to compare between the complainant's and the subscriber's. Signatures and voices are not verified at the initiation of the contract.
- The Internet can provide additional means to determine the identity and the intent to contract, such as personally identifiable information, credit card information, e-mail confirmations, and the use of closed user groups.
- Once customers, they can join a closed user group that will provide additional protection. Consumer can use a password to change service options, presubscribe to another service option (such as IntraLATA toll), etc.

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Won't Internet LOAs result in widespread slamming?

- There is no evidence, on the record or otherwise, that slamming will increase by the use of the Internet.
- Nothing precludes a carrier from misusing its ability to slam under the current LOA rules to slam large groups of people.
- A carrier's business reputation as well as the Commission's liability rules are an effective deterrent to slamming.
- InterLATA and IntraLATA services and authorizations can be distinguished on the Internet as they can be on traditional forms.

Federal Communications Commission
Office of Secretary

Is it possible for someone other than the authorized subscriber to make changes to the presubscribed carrier?

- Nothing precludes an unauthorized member of a household from using the Commission's current paper LOA or telemarketing subscriptions from doing the same.
- Minors can just as easily change the household's service through a telemarketer or a direct sales pitch at the mall or other places.
- If done through a closed user group or credit card, then there is increased protection with the Internet LOA.
- Internet LOAs have the potential in the future to provide even more consumer protection.

Couldn't Internet users could accidentally slam themselves while browsing?

- Internet LOAs should conform with the Commission's current requirement of separating inducements and subscription information. This information can be separated on the Internet as paper copies are under the Commission's current rules.
- The Internet actually provides increased protection – web pages can be created to demand potential subscribers acknowledge their authorization several times, whereas paper LOAs require one signature.
- Internet LOAs can be created to demand all information be filled out before it can be submitted. The consumer would have to fill out the entire form, including name, address, phone number, billing option, CPNI, etc., and go through repeat electronic authorizations.

- The Commission's current rules concerning gimmicks, contests, checks, etc., will apply equally to the Internet.

Won't Computer hackers can slam large groups of people?

- Nothing precludes unscrupulous carriers from slamming large groups of people under the current rules.
- Computer hackers can cause disruption to many other businesses, such as credit cards, but those industries do not prohibit the use of the Internet because of it.
- Increased security is a more preferable option to prohibition.

An Internet LOA is not valid because it does not satisfy the signature requirement.

- A written LOA serves as both authorization to change a subscriber's carrier and verification of that subscriber's decision to change carriers (from FNPRM).
- The Commission's current rules permit electronic signatures for filings, etc.
- The Commission's current rules permit a carrier to change a subscriber's carrier based on a voice contract, with TPV. The TPV tape is only used if a dispute arises.
- Uniform laws, state law, common law, judicial interpretation, other federal agencies, all have recognized that a signature does not have to be pen to paper form – i.e. telegraph, facsimile, electronic, voice, etc.
- A signature can be forged as easily on paper form than on the Internet. Signatures on LOAs are only compared if a dispute arises. In fact, some parties comment that a forgery is actually easier than providing personally identifiable information.
- Carriers have an incentive to ensure that the authorization is genuine, otherwise they will be subject to the liability rules.
- Credit card information, subscriber personally identifiable information, e-mails, etc. can be used if a dispute arises to determine whether the carrier had authority. This is exactly what a signature is used for.

The Internet will not allow the potential customer to ask questions.

- The Internet can provide more information, such as hyperlinks to company's web site, links to the terms and conditions of the contract, etc.
- It is a customer initiated transaction – no sales pressure – no sales person will receive a commission for the sale, unlike direct sales or telemarketing.
- The consumer can make a more deliberate and methodical choice of service when compared with traditional direct sales or telemarketing.
- The potential for deception or overwhelming sales pressure occurs when the sales person is present or on the phone. This pressure is eliminated with the Internet LOA.

Why would Internet LOAs be in the public interest?

- They provide consumers and carriers a more efficient means to interact. This will lower costs and prices. (AT&T \$3/month minimum of an example of a carrier having to put in a minimum to recoup paper billing and traditional sales costs.)
- They provide consumers with substantially more information when compared with a direct sales or telemarketing approach.
- They allow the consumer to shop around and make purchasing decisions at any time, in any place without the sales pressure from traditional direct sales or telemarketers.
- They can ensure authorization protection that is superior to traditional LOAs since repeat authorizations, separation of marketing material, all fields requirements, and e-mail response can be built in.
- Unlike telemarketing sales, the consumer will have a record of the transaction in the event of a future billing or authorization dispute. The consumer can print-off the sales literature and his/her authorization. The carrier will have a record of the transactions as well. Telemarketing can result in he said/ she said, except for the verified authorization.
- Internet LOAs promote the FCC's policy of balancing the industry's need for flexibility in marketing its services and the need to protect consumers from deceptive marketing tactics.
- Consistent with the FCC's de-tariffing decision.

What did those parties submitting comments say about Internet LOAs?

- A clear majority supported the Commission permitting LOAs without burdensome authorization requirements – C&W USA, Qwest, Bell South, Comptel, RCN, the Florida Public Service Commission, US West, Excel, MCI, CoreCom, and Talk.Com.
- TPV providers opposed this or demanded the Commission mandate all Internet LOAs be TPVed. This position is clearly a product of self interest.
- Most other opponents had a problem with the means to authorize and determining the authorization was attributable to the subscriber. Traditional LOAs rely on an un-verified written signature – Internet LOAs provide more information. The standard is whether an Internet LOA is as reliable as the traditional signature, not whether it is perfect.

Wouldn't Internet LOAs result in privacy abuses?

- There would be no exception to the Commission's CPNI rules for information gathered via the Internet concerning telecommunications service. Carriers will have the same obligations and need the same express authorizations as traditional forms.

Should the FCC establish strict guidelines for carrier use of Internet LOAs?

- No, these should be narrowly tailored to prevent abuse without unnecessarily encumbering the market.
- The rules should recognize the distinction between when a carrier has an existing relationship with the consumer and when it does not.

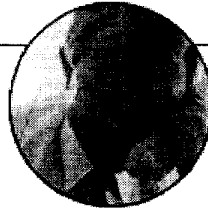


Current round trip data transfer time from Atlanta to San Francisco is 73 milliseconds



Voice

- [Residential Long Distance](#)
- [Sign Up Today](#)



Long Distance Rates From xx Cents Per Minute

Cable & Wireless USA offers a full range of voice products to meet the telecommunications needs of today's businesses, including reliable, high-quality long distance services, conference calling, toll-free and calling card services.

This service portfolio enables companies to conduct business efficiently, whether they are in a traditional office setting or working in today's challenging, fast-paced mobile environment. Cable & Wireless USA also provides essential tools to help businesses manage telecommunications expenses.

CWUSA offers great rates for Long Distance, join now to begin saving!

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Voice

Welcome to the C&W USA online service order form. To sign up for service, fill out this form and hit continue.

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Company Name	<input type="text" value="xyz corp"/>
Street Address	<input type="text" value="123 main street"/>
City	<input type="text" value="Anywhere"/>
State	<input type="text" value="VA"/>
Zip	<input type="text" value="22222"/>
Primary Contact	<input type="text" value="Joe Smith"/>
Alternate Contact	<input type="text" value="Mary Smith"/>
Phone Number	<input type="text" value="703 - 555 - 55555"/>
Email Address	<input type="text" value="Joesmith@email.com"/>
Verification Password	<input type="text" value="Jones"/>
CPNI Approval	<input type="radio"/> No <input checked="" type="radio"/> Yes, I have read the CPNI notification language in the terms and conditions and hereby provide authorization to Cable & Wireless USA to use my service information to provide additional products and services in the future that would be tailored to my needs.

For definition - see terms and conditions.



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Voice

From here, enter all the numbers you need hooked up to our Network. If you are unsure please call one of our [Sales Reps](#).



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Outbound Originating Numbers

Main Billing Number

Total Number of lines:

Company Name

*As noted on phone bill

Telephone Number to be switched over for long distance service

Local Toll*

☒

☒

☐

☐

☐

☐

☐

☐

Cellular number

Cellular number

Fax Line

Modem Line

*Local Toll - see [terms and conditions](#).





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Voice

We know we offer the lowest rates in town, but we need your address if we are going to bill them to you...



Billing Information:

Customer Name	Joe Smith
Address	123 main
City	Anywhere
State	VA
Zip	22222
Billing Contact Name	Jane Smith
Billing Phone	703-555-5555
Email address	joesmith@email.com

Credit Card Option

CHOOSE ONE: ☒ Visa ☐

Credit Card Number

Electronic Billing Options:

EIB ☐ Online ☐ CD-Rom ☐ Disk

CMS ☐ Cycle(Monthly) ☐ Online ☐ CD-Rom
4.0 ☐ Disk

In addition to Cycle data, **Either** Daily or Weekly **either** CMS or CDR only format can be selected.

CHOOSE ONE: ☒ Weekly ☐



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Internet

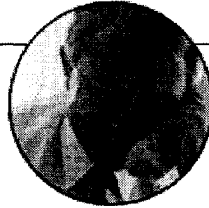


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Voice

Thank you Joe Smith for signing up for our long distance service. Please review the following and click agree if you agree with our terms and conditions.



GENERAL TERMS AND CONDITIONS

Acceptance of Order. This order for long distance services is accepted by Cable & Wireless USA, Inc. (C&W USA) upon C&W USA's first initiation of any such services or C&W USA's initiation of a change to any such services.

Tariffs. C&W USA's international, interstate, and certain of C&W USA's intrastate services are tariffed services and are therefore, governed by this order

Agree to Terms & Conditions

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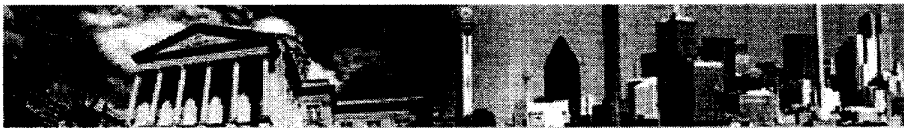
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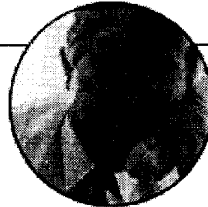
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Voice

Thank you Joe Smith for signing up for our long distance service. Please review the following and click agree if you agree with our terms and conditions.



By filling out this form and clicking on "yes" below, the customer, as the telephone subscriber, authorizes C&W USA to be the telephone subscriber's InterLATA toll carrier, commonly referred to as "long distance," and as the telephone subscriber's IntraLATA toll carrier if so designated in the ILP box. IntraLATA toll services are local area toll calls. The telephone subscriber authorizes C&W USA to contact the telephone subscriber's local exchange carrier on the telephone subscriber's behalf and further understands that the local exchange carrier may charge a fee to switch the telephone subscriber's service to C&W USA and this fee may appear on a future local exchange carrier bill.

No ☐ Yes ☐



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Voice

Thank you Joe Smith for signing up for our long distance service. Cable & Wireless will email a notice of your decision to change carriers. Please reply to verify this change has occurred is . After you have replied to the email and payment has been approved your service will be activated.



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Below is what you Submitted:

Company Name: xyz corp
Address: 123 main street
City: Anywhere
State: VA
Zip: 22222
Contact Name: Joe Smith
AltContact: Mary Smith
Phone: 703 - 555 - 5555
email: Joesmith@email.com
password: Jones
cpni: Cpni not checked

MainBillingNumber: 703-555-5555
TotalLines: 2
CompanyNameOnBill: xyz corp

oon1: 703-555-5555
ILP1: ILP Not Checked
oon2: 703-555-6666
ILP2: ILP Not Checked
oon3:
ILP3: ILP Not Checked
oon4:
ILP4: ILP Not Checked
oon5:
ILP5: ILP Not Checked
oon6:
ILP6: ILP Not Checked
oon7:
ILP7: ILP Not Checked
oon8:
ILP8: ILP Not Checked

FaxLine:

ModemLine:

Billing Name: Joe Smith
Billing Address: 123 main
Billing City: Anywhere
Billing State: VA
Billing Zip: 22222
Billing Contact: Jane Smith
Billing Phone: 703-555-5555
Billing email: joesmith@email.com

ccard: Visa
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